

**Iowa Department of Natural Resources
Natural Resource Commission**

ITEM

16

DECISION

TOPIC

Honey Creek Hotel Management Interim Agreement

The Natural Resources Commission's approval is requested to pay Regency Hotel Management, LLC (Regency) no more than \$8,000 for pre-opening services for the Honey Creek Resort State Park (Park) development. This payment will be the last made to Regency, and will cover some salaries of staff members now employed by the DNR as contract employees and incidentals that occurred in September 2007.

DNR executed an agreement, and subsequent amendments, with the Commission's approval, in the amount of \$75,000 to compensate Regency during these negotiations to provide certain pre-opening services. The DNR created that interim contract to provide additional time for more negotiations and compensation to Regency for services it is providing; and DNR was realizing DNR has negotiations with Regency and Regency is cooperatively transferring these pre-opening services to the DNR.

Funding for these pre-opening services will come solely from the legislative appropriations dedicated to the Park. Any agreement that draws funds from the bond proceeds must be approved by bond counsel to the Honey Creek Premiere Destination Park Bond Authority, and as this amended contract has not been reviewed by bond counsel, the DNR will not use bond proceeds to pay for services provided pursuant to this amended agreement.

Ken Herring, Administrator
Conservation and Recreation Division

October 11, 2007